



October 2, 2002

VIA FACSIMILE

Karen Getman, Chairman  
Commissioners Swanson, Knox and Downey  
Fair Political Practices Commission  
428 J Street, Suite 800  
Sacramento, CA 95814

Re: Adoption of Amended Regulation 18531.7  
Agenda Item 3  
October 4, 2002 Commission Meeting

Dear Chairman and Commissioners:

I am writing to urge the Commission to adopt the proposed Regulation 18531.7 as proposed in the petition filed by SEI, CTA and the California Labor Federation. We certainly have appreciated the consideration given by the Commission to the concerns we raised in the petition, and the time and attention given by you and your staff to these very important issues.

In the proposed regulation before you and in the staff memorandum, our major concerns have certainly been addressed. We understand that your staff is recommending the adoption of the amended regulation as proposed in our petition with two exceptions as noted below.

With respect to our proposed amendments to subdivision (a) and subdivision (d) relating to sponsored committees, staff is recommending that the Commission reject the change to subdivision (a) and adopt the change to subdivision (d). We do not have any objection to the staff's recommendation although we think it is clearer if the language in subdivisions (a) is included. This is with the understanding that the intent of the Commission is to permit the making of payments for membership communications by an organization's sponsored committee.

SERVICE EMPLOYEES  
INTERNATIONAL UNION  
AFL-CIO, CLC

CALIFORNIA  
STATE COUNCIL

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We do have concerns with the staff's recommendation on subdivision (f) and our proposal for the reporting of membership communications which are paid by a committee.

With respect to the reporting of payments made by a committee for membership communications, we have specifically proposed that, consistent with the overall reporting requirements of the Political Reform Act, such expenditures be reported on the committee's report consistent with Government Code Section 84211, subdivisions (b), (i), (j) and (k)(1), (2), (3), (4), and (6). The payments would be therefore be reported by name and address of payee, amount, and description. The campaign reporting forms now have a reporting code (MBR) which we understand may be used to describe such payments.

In our proposal, we expressly omitted reference to Section 84211(k)(5) which contains the additional reporting required for an expenditure which is a contribution or independent expenditure. However, your staff is recommending that all of (k) including (k)(5) be retained in the regulation for the reporting of payments for membership communications.

Certainly expenditures for membership communications are arguably not reportable at all under Section 85312. However, if an organization pays for such communications from its sponsored committee, we will not object to a requirement that such payments are disclosed on the committees' report as proposed in our petition. But we could not support extending the reporting to information which is only required for expenditures which are contributions or independent expenditures.

Moreover, it is very unclear if this requirement did apply to membership communications, what additional information would have to be reported and how it would be reported. On the FPPC's Campaign Statement Form 460, the information required by Section 84211(k)(5) is reported on the Schedule D ("Contributions and Independent Expenditures"). On the Schedule D, a committee will report the names of any candidates or measures supported or opposed during the period, along with the dates of any contributions or independent expenditures, a description of the payments, the amounts contributed or expended for the calendar year, and the per election contribution totals for candidate subject to the Proposition 34 contribution limits. I have attached a Schedule D filed by a committee for the Commission's information and reference.

If a local union sent out a mailing to its membership listing the 18 candidates endorsed by the union and urging its members to vote for the candidates and paid for the mailing from its sponsored committee, how would this appear on the committee's report? Would the various candidates be listed on the Schedule E only? Also included on the Schedule D?

In summary, not only is the additional reporting suggested by staff clearly not authorized by the law, it is also very confusing and therefore burdensome to committees, and we would urge the Commission not to adopt it.

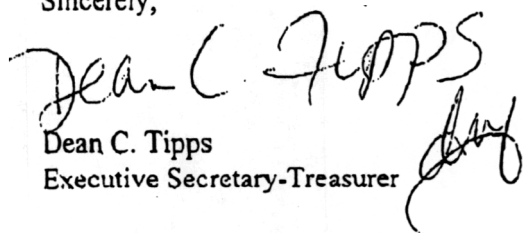
Chairman Getman and Commissioners

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Thanks again to you and your staff for your consideration of our petition and your expeditious responses to the concerns we have raised.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Dean C. Tipps".

Dean C. Tipps

Executive Secretary-Treasurer

Attachment

**Schedule D**  
**Summary of Expenditures**  
**Supporting/Opposing Other**  
**Candidates, Measures and Committees**

Type or print in ink.  
 Amounts may be rounded  
 to whole dollars.

Statement covers period  
 from \_\_\_\_\_  
 through \_\_\_\_\_

SCHEDULED

**CALIFORNIA**  
**FORM** **460**

Page \_\_\_\_\_ of \_\_\_\_\_

I.D. NUMBER \_\_\_\_\_

SEE INSTRUCTIONS ON REVERSE  
 NAME OF FILER \_\_\_\_\_

DATE	NAME OF CANDIDATE, OFFICE, AND DISTRICT, OR MEASURE NUMBER OR LETTER AND JURISDICTION, OR COMMITTEE	TYPE OF PAYMENT	DESCRIPTION (IF REQUIRED)	AMOUNT THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
		<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Nonmonetary Contribution <input type="checkbox"/> Independent Expenditure				
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose					
		<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Nonmonetary Contribution <input type="checkbox"/> Independent Expenditure				
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose					
		<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Nonmonetary Contribution <input type="checkbox"/> Independent Expenditure				
	<input type="checkbox"/> Support <input type="checkbox"/> Oppose					
<b>SUBTOTAL \$</b>						

**Schedule D Summary**

- Contributions and independent expenditures made this period of \$100 or more. (Include all Schedule D subtotals.) ..... \$ \_\_\_\_\_
- Unitemized contributions and independent expenditures made this period of under \$100 ..... \$ \_\_\_\_\_
- Total contributions and independent expenditures made this period. (Add Lines 1 and 2. Do not enter on the Summary Page.) ..... **TOTAL \$** \_\_\_\_\_